

AMENDED IN SENATE MAY 12, 2010

AMENDED IN SENATE MARCH 25, 2010

SENATE BILL

No. 996

Introduced by Senator Lowenthal

February 9, 2010

An act to amend Section 214.16 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 996, as amended, Lowenthal. Property tax: welfare exemptions: rental housing and related facilities: refund of tax.

Existing property tax law establishes a partial welfare exemption for property used exclusively for rental housing and related facilities that was previously purchased and owned by the Department of Transportation, as specified, and that is now solely owned by an organization that qualifies as an exempt organization. Existing law requires any outstanding tax, interest, or penalty that was levied or imposed upon property that qualifies for this partial welfare exemption and that satisfies specified criteria between January 1, 2002, and January 1, 2009, to be canceled if the owner of the property certifies that certain conditions were met at the time the tax was levied.

This bill would require any *ad valorem property* tax, interest, or penalty, that was levied or imposed upon property as described above and that was paid, to be refunded, *as provided. This bill would require any ad valorem property tax, interest, or penalty not refunded, as specified, to be used to pay any outstanding special assessment, fee, or other charge, as provided.*

This bill would make legislative findings and declarations regarding the public purpose served by the bill.

By imposing new duties upon county tax officials with respect to the refund of these property tax payments, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 214.16 of the Revenue and Taxation
2 Code is amended to read:

3 214.16. (a) Any *ad valorem property* tax, interest, or penalty
4 that was levied or imposed upon property that qualifies for an
5 exemption pursuant to Section 214 and satisfies the criteria
6 specified in subparagraph (D) of paragraph (1) of subdivision (g)
7 of Section 214 between January 1, 2002, and January 1, 2009,
8 shall be canceled ~~or refunded~~, *or, refunded in accordance with*
9 *subdivision (b)*, provided that the owner of the property certifies
10 that all of the following conditions were met at the time the tax
11 was levied:

12 (1) The owner was not organized and did not operate for profit.

13 (2) There was a recorded deed restriction or other legal
14 document that restricted the project's usage and that provided that
15 the units designated for use by lower income households were
16 continuously available to or occupied by lower income households
17 at rents not exceeding those prescribed by Section 50053 of the
18 Health and Safety Code.

19 (3) The funds that would have been necessary to pay property
20 taxes were used to maintain the affordability of, or reduce rents
21 otherwise necessary for, the units occupied by lower income
22 households.

23 (b) (1) *The refund required by subdivision (a) shall be an*
24 *amount equal to the difference between both of the following:*

1 (A) *The total amount of ad valorem property tax, interest, or*
2 *penalty payments paid, between January 1, 2002, and January 1,*
3 *2009, for property that qualifies for an exemption as specified in*
4 *subdivision (a).*

5 (B) *The total amount of any outstanding special assessment,*
6 *fee, or other charge, required to be collected by the tax collector,*
7 *that was levied or imposed upon property that qualifies for an*
8 *exemption as specified in subdivision (a) between January 1, 2002,*
9 *and January 1, 2009.*

10 (2) *Any ad valorem property tax, interest, or penalty not*
11 *refunded in accordance with paragraph (1), shall be used to pay*
12 *any outstanding special assessment, fee, or other charge required*
13 *to be collected by the tax collector, that was levied or imposed*
14 *upon property that qualifies for an exemption as specified in*
15 *subdivision (a) between January 1, 2002, and January 1, 2009.*

16 ~~(b)~~

17 (c) For purposes of this section, “lower income households”
18 has the same meaning as defined by Section 50079.5 of the Health
19 and Safety Code.

20 SEC. 2. The Legislature finds and declares that Section 1 of
21 this act fulfills a statewide public purpose because of both of the
22 following:

23 (a) It maintains the affordability of lower income housing that
24 fulfills the legal commitment entered into by the Department of
25 Transportation in a consent decree to replace affordable housing
26 stock lost as a result of the construction of the Century Freeway.

27 (b) It addresses California’s serious shortage of affordable
28 decent, safe, and sanitary housing for persons and families of low
29 or moderate income, including the elderly and handicapped, by
30 providing necessary property tax relief for certain tax exempt
31 organizations so that these tax exempt organizations can provide
32 this affordable housing for persons and families of low or moderate
33 income.

34 SEC. 3. If the Commission on State Mandates determines that
35 this act contains costs mandated by the state, reimbursement to
36 local agencies and school districts for those costs shall be made
37 pursuant to Part 7 (commencing with Section 17500) of Division
38 4 of Title 2 of the Government Code.

O